XVIII DAILY BATCH RECONCILIATION

Most of the chapters in the CALSTARS Procedures Manual describe the data preparation requirements and the actual data entry procedures for financial transactions. Once these transactions are entered into CALSTARS, they are strictly controlled by the system. Daily system reconciliation ensures that all financial transactions and error corrections are successfully processed through the system. The purpose of this chapter is to describe the daily system reconciliation process and the manual controls required for proper data monitoring and accountability.

Agencies exercise two controls over CALSTARS financial transactions. These controls are:

✪ <u>Preparation of a Batch Header Slip</u> for each group of financial transactions entered into CALSTARS, and

✪ <u>Maintenance of a Batch Control Log</u> that identifies the number of transactions submitted and the total number and amount of those transactions. Agencies also control the assignment of Batch Numbers and Claim Schedule Numbers in the Batch Control Log.

OBJECTIVES OF DAILY BATCH RECONCILIATION

The primary objectives of the daily batch reconciliation process are:

✪ To ensure all financial transactions and error corrections submitted for processing are actually processed by the system or otherwise accounted for;

✪ To detect any unauthorized or erroneous updating of the system; and,

✪ To detect any abnormal program termination or other system processing difficulties.

DATA USED FOR BATCH IDENTIFICATION AND DAILY RECONCILIATION

The **batch identification** data that uniquely identifies <u>each group of transactions entered</u> is:

✪ **Batch Date** (*YYMMDD*),

✪ **Batch Type** (2-digit) and

✪ **Batch Number** (3-digit).

NOTE: The dollar amount fields are <u>not</u> used in the daily reconciliation process although they are used to balance a batch for release to the nightly system update cycle.

The batch identification data may be found in the Batch Header Slip, the Batch Control Log and some reconciliation reports.

Two counts used in combination with the **batch identification** data provide most of the information needed for the reconciliation process. They are:

✪ **Batch Header Count** - The total number of batches entered and "released".

✪ **Batch Record Count** - The total number of transactions in all "released" batches.

The count of transactions on the Error File is tracked by the system.

The Batch Header Count and Batch Record Count are discussed in detail later in this chapter.

TASKS IN PERFORMING THE DAILY RECONCILIATION

Daily batch reconciliation consists of three basis tasks:

1. Determine the total number of batch headers and transactions *submitted* (key-entered and/or "released") the previous day, including system-generated batches.

2. Determine the number of batch headers and transactions (including error corrections) actually *processed* the previous day. Any batches that are on **Hold** will not appear on the reconciliation reports. The 2nd task may be completed only after the CALSTARS reports are generated from the nightly system update process and received at the agency; and

3. Record the figures on the reconciliation form and compare the two totals. Any differences must be investigated and corrected so the figures will balance.

How to determine the number of batches and transactions, record the amounts and investigate any differences is discussed later in this chapter.

USING THE BATCH CONTROL LOG

The Batch Control Log is the primary source of information needed for the daily reconciliation process. For each Batch Header Slip submitted for data entry, a corresponding entry must also be made in the Batch Control Log. However, there is one exception: System-generated batches resulting from automated system processes are not originated by the agency and therefore do not have a Batch

Header Slip and a corresponding entry in the Batch Control Log. This must be taken into consideration when completing the reconciliation.

A completed log sheet is shown in Exhibit XVIII-1 for illustration of the daily reconciliation process. (See Chapter 8, Preparation of Transaction Entry Documents for a blank sample of this form.)

The Batch Control Log is a chronological record by Batch Date for each batch entry day. All batches may be listed in one log or a separate log may be maintained for each Batch Type (more customary). Other batch log information includes the Batch Count, the required Absolute Batch Amount (dollars) and the Optional Net Amount (dollars). These data are all recorded from the Batch Header Slip. The individual who key-enters the batch should put his/her initials in the "Operator" column. A Comments field is provided for any special remarks.

EXHIBIT XVIII-1

CALSTARS 26
(Rev. 04/00)

STATE OF CALIFORNIA

CALSTARS BATCH CONTROL LOG

DATE	BATCH TYPE	BATCH NBR	FM	CLAIM SCHED. #	BATCH COUNT	ABSOLUTE BATCH AMOUNT	OPTIONAL NET AMOUNT	OPER. INITIAL	COMMENTS
08-14-00	25	001	01		3	76,800.00		GLR	Encumbrances (had 1 wrong Index code)
08-14-00	33	002	01		5	106,725.50		JPH	Cash receipts & est. revenue
Total batches =	2			Total Transactn =	8				
08-15-00	12	003	01	GF00012	2	154,799.25		Sally	Manual claim schedule
Total Batches =	1			Total Transactn =	2				

RECONCILIATION REPORTS

To perform the daily batch reconciliation, CALSTARS produces the following reports at the end of each nightly system update process. These reports should be filed as documentation of the daily batch reconciliation. See Volume 2, Chapter II, System Processing Schedule and Cycle, for the complete listing and descriptions of the reports generated by the nightly system update process.

Input and Classification (CFB100-2)

The Input and Classification Report (CFB100-2), Exhibit XVIII-2, identifies the number of transactions received by the system and submitted to other CALSTARS programs for processing. Batch header and batch transaction totals should agree with the Batch Control Log unless system generated transactions were also produced.

Error Correction Report (CFB200-2)

The Error Correction Report (CFB200-2), Exhibit XVIII-3, summarizes the Error File activities for the number of transactions with errors that went through the nightly system update process.   Only the number of Deleted ER File Records is used in the daily batch reconciliation.

History File Update Report (CFB710-3)

The Batch Status Report (CFB710-3), Exhibit XVIII-4, identifies the number of transactions entered and their status after the nightly system update process was completed. The number of records out should always equal the number of transactions added. Only the number of History Records Added is used in the daily batch reconciliation.

Week To Date Batch Status Report (CFB710-6)

The Week To Date Batch Status Report is automatically produced daily for every day of the week beginning normally on Monday and ending on Friday unless weekend processing occurs. The Week To Date Batch Status Report (CFB710-6), shown in Exhibit XIV-5, displays four groupings of information:

✪ **Batch Header** – Shows the Actual Count (transactions) and Amount (dollars) contained in the Batch Header as it was entered and released for processing.

✪ **Actual** – Shows the Batch Count of transactions entered/released and the Batch Amount (total) of the transactions that passed the CALSTARS edits and posted to the History File are also shown.

✪ **Variation** – Shows the Variation or Count (transactions) and the Amount (total dollars) sent to or deleted from the Error File. However, one cause of variance occurs if a batch entered from a prior period was partially posted and a remaining transaction(s) in the batch is posted or deleted in the current period. This report is also generated in a Month To Date format.

✪ **Message** – Reports if the batch was from a prior period with a balance of Variance remaining by displaying the message 'BATCH HEADER NOT ON FILE'.

Error File Update Report (CFB800-4)

The Error File Update Report, (CFB800-4), prior day shown in Exhibit XVIII-6 and current day shown in Exhibit XVIII-7, identifies the number of transactions contained on the Error File and their status as: Unreleased, total errors processed, total transactions with warning messages only, the number rejected and the total file output after processing. Only the number of transactions in the Error File Output Count is used in the daily batch reconciliation.

EXHIBIT XVIII-2

```
CFB100-2 9990 (DEST: A1 CTP2) ***** DEPARTMENT OF AIR QUALITY                    *************************** ORG NUMBER:   9990
                         CALSTARS    I N P U T   &   C L A S S I F I C A T I O N    REPORT                     ORG PAGE:      1
08/15/00 (18.32)  ****************************************************************************************** RUN PAGE:     153

                     INPUT RECORD COUNTS

                         INPUT ACCTG TRANS (BATCH HEADER)           1
                         INPUT ACCTG TRANS (    DETAIL    )         2
                         INVAL INPUT TRANS (INVALID DATA TYPE)      0
                         ERROR CORRECTION TRANSACTIONS              5
                         WARRANT MAINTENANCE TRANSACTIONS           0
                            TRANSACTION INPUT TOTAL                 8

                     OUTPUT RECORD COUNTS
                         VALID ACCOUNTING TRANSACTIONS              3
                         INVALID TRANSACTIONS                       0
                            ACCOUNTING TRANSACTION TOTAL            3
                         ERROR CORRECTION TRANSACTIONS              5
                         WARRANT MAINTENANCE TRANSACTIONS           0
                            TRANSACTION OUTPUT TOTAL                8
```

Run Date and Time,
Step 1.

EXHIBIT XVIII-3

```
CFB200-2 9990 (DEST: A1 CTP2) ***** DEPARTMENT OF AIR QUALITY                    ************************** ORG NUMBER:   9990
                        CALSTARS        E R R O R   C O R R E C T I O N        REPORT              ORG PAGE:        2
08/15/00 (18.32) ******************************************************************************************* RUN PAGE:      276




              INPUT RECORD COUNTS


                       ERROR CORRECTION TRANS                      5



           ER FILE RECORD COUNT


                       RELEASED TRANSACTIONS                       1


               DELETED ER FILE RECORDS                             4


                TOTAL RECORDS RELEASED & DELETED                   5
```

Count of transactions processed, Step 7.

EXHIBIT XVIII-4

```
CFB710-3 9990 (DEST: A1 CTP2) *********  DEPARTMENT OF AIR QUALITY                      ********************** ORG NUMBER:   9990
                              C A L S T A R S   H I S T O R Y   F I L E   U P D A T E   R E P O R T        ORG PAGE:        1
08/15/00 (19.31)****************************************************************************************** RUN PAGE:    7,314




                                HISTORY RECORDS IN              0

                                HISTORY RECORDS ADDED           3   ◄────────  Count of transactions
                                                                              processed, Step 8.
                                HISTORY RECORDS DELETED         0

                                HISTORY RECORDS OUT             3
```

EXHIBIT XVIII-5

```
CFB710-6 9990 (DEST: A1 CTP2) *********  DEPARTMENT OF AIR QUALITY                          ********************* ORG NUMBER:  9990
TYPE:D A I L Y              C A L S T A R S   H I S T O R Y   T R A N S A C T I O N   R E P O R T              ORG PAGE:      1
08/15/00 (19.46)********************************************************************************************** RUN PAGE:    188

                            W E E K   T O   D A T E   B A T C H   S T A T U S   R E P O R T

*-------------------BATCH HEADER------------------*    *-------ACTUAL--------*    *------VARIATION------*
D     BATCH    BATCH       BATCH                         ACTUAL        ACTUAL       VAR         VARIATION
T AGY DATE    TYP NO   FM  COUNT      BATCH AMOUNT       COUNT         AMOUNT       COUNT         AMOUNT   MESSAGE


A 9990 08/14/00 25 001   01    3         76,800.00          2          34,800.00     -1         -42,000.00
A 9990 08/15/00 12 003   01    2        154,799.25          2         154,799.25      0                .00

                               5        231,599.25          4         189,599.25     -1         -42,000.00  **** TOTAL VARIATION
```

CFB710-6 Report for the day the TC 360 was created

```
CFB710-6 9990 (DEST: A1 CTP2) *********  DEPARTMENT OF AIR QUALITY                          ********************* ORG NUMBER:  9990
TYPE:D A I L Y              C A L S T A R S   H I S T O R Y   T R A N S A C T I O N   R E P O R T              ORG PAGE:      1
08/16/00 (19.43)********************************************************************************************** RUN PAGE:    195

                            W E E K   T O   D A T E   B A T C H   S T A T U S   R E P O R T

*-------------------BATCH HEADER------------------*    *-------ACTUAL--------*    *------VARIATION------*
D     BATCH    BATCH       BATCH                         ACTUAL        ACTUAL       VAR         VARIATION
T AGY DATE    TYP NO   FM  COUNT      BATCH AMOUNT       COUNT         AMOUNT       COUNT         AMOUNT   MESSAGE


A 9990 08/14/00 25 001   01    3         76,800.00          2          34,800.00     -1         -42,000.00
A 9990 08/15/00 WA 999   01    1        154,799.25          1         154,799.25      0                .00

                               4        231,599.25          3         189,599.25     -1         -42,000.00  **** TOTAL VARIATION
```

Date of release/posting

Batch Date for TC 360-Claims Filed. Released and posted the day after created.

EXHIBIT XVIII-6

```
CFB800-4 9990 (DEST: A1 CTP2) ***** DEPARTMENT OF AIR QUALITY                         ************************* ORG NUMBER:   99
                   CALSTARS        E R R O R   F I L E   U P D A T E        REPORT                    ORG PAGE:
08/14/00 (19.37) ******************************************************************************************** RUN PAGE:    1,2
```

```
       0    UNRELEASED RECORDS IN ERROR FILE

      10    (+) ADD TOTAL ERRORS FROM PROCESSING (FATAL, WARNING, REJECT)

       5    (-) LESS RECORDS PROCESSED BY SYSTEM WITH WARNING MESSAGES

       0    (-) LESS RECORDS REJECTED BY SYSTEM (WILL NOT BE IN ERROR FILE)

       5    ERROR FILE OUTPUT COUNT
```

Count of transactions processed, Step 4.

EXHIBIT XVIII-7

```
CFB800-4 9990 (DEST: A1 CTP2) ***** DEPARTMENT OF AIR QUALITY                    ************************** ORG NUMBER:   9990
                     CALSTARS      E R R O R   F I L E   U P D A T E       REPORT              ORG PAGE:        1
08/15/00 (19.31) ********************************************************************************************* RUN PAGE:    1,734




                    0    UNRELEASED RECORDS IN ERROR FILE

                    3     (+) ADD TOTAL ERRORS FROM PROCESSING (FATAL, WARNING, REJECT)

                    2     (-) LESS RECORDS PROCESSED BY SYSTEM WITH WARNING MESSAGES

                    0     (-) LESS RECORDS REJECTED BY SYSTEM (WILL NOT BE IN ERROR FILE)

                    1    ERROR FILE OUTPUT COUNT
```

Count of transactions
processed, Step 6

COMPLETING THE DAILY RECONCILIATION

The daily batch reconciliation must be performed after each nightly system update cycle. This is to ensure all entries were processed correctly. This reconciliation procedure should occur before any financial reports are distributed or new financial transactions are entered. This reconciliation process provides the most effective means of detecting unauthorized entries, entries from external sources and lost transactions.

CALSTARS Daily Batch Reconciliation Sheet, CALSTARS 30

A completed CALSTARS Daily Batch Reconciliation sheet, CALSTARS 30, is shown in Exhibit XVIII-7 to illustrate the reconciliation process. A blank form is available from the CALSTARS Internet site.

Completing the Daily Batch Reconciliation

The following is a step-by-step procedure on completing the daily batch reconciliation form.

Step 1 – Run Date and Time
Use the current day's Input and Classification Report (CFB100-2), Exhibit XVII-2 shown on page XVIII-7.

Enter the run date and run time from the upper left hand corner of the report.

The Transaction Input Total and Transaction Output Total must always equal. If the counts are not equal, call the CALSTARS Hotline.

Step 2 – Batch Control Log(s)
Two lines are assigned for entering the <u>agency</u> entered batch counts. Using the batch control log(s) *for the date being reconciled* :

   ✪ Sum the number of batch headers and enter the amount; and,

   ✪ Sum the number of transactions in those batches and enter the amount.

Compare these counts to the CFB100-2 Report. The 'Input Acctg Trans (Batch Header)' and the 'Input Acctg Trans (Detail)' amounts should agree with the Batch Control Log unless system generated transactions were also produced. If these amounts do not agree, refer to the troubleshooting section later in this chapter.

EXHIBIT XVIII-7

CALSTARS 30
(Rev 9/00)

CALSTARS DAILY BATCH RECONCILIATION

08-15-00	*18.32*
Run Date	Run Time

Step 1 →

Transactions Entered

Batch Control Log(s) ← Step 2   **Count**

    Batch Headers   *1*

    Batch Records   *2*

System (CALSTARS CFB710-6: *Alpha Types only*) ← Step 3
    Batch Headers   *0*

    Batch Records   *0*

Previous Daily 'Error File Update Report (CALSTARS CFB800-4)' ← Step 4
    Error File Output Count   *5*

Step 5 → **Total Transactions Entered**   *8*

Transactions Processed

Step 10

Error File Update Report (CALSTARS CFB800-4) ← Step 6
    Error File Output Count   *1*

Transaction Deletions (CALSTARS CFB200-2) ← Step 7
    Deleted ER File Records   *4*

Posted Transactions (CALSTARS CFB710-3) ← Step 8
    History Records Added   *3*

Step 9 → **Total Transactions Processed**   *8*

Step 11 → *U. R. Dunne*   *8-15-00*
       Daily Reconciliation Preparer's Signature   Date

Step 3 – System (CALSTARS CFB710-6: *Alpha Types only)*
Two lines are assigned for entering the <u>system-generated</u> batch counts.

Remember, system generated batches are not originated by the agency and therefore are not posted to the Batch Control Log.

Using the Week To Date Batch Status Report (CFB710-6), Exhibit XVIII-5 shown on page XVIII-10, *for the date being reconciled*:

✪ Sum the number of system-generated batch headers and enter the amount; and,

✪ Sum the number of system-generated transactions in those batches and enter the amount.

NOTE: Do not include system-generated batches used in prior days' reconciliations.

EXCEPTION: The TC 360, Posting of Claims Filed – System Generated, is assigned the Batch Date on which the transaction was *<u>created</u>*, but it is <u>not</u> released to the nightly system update process *<u>until the following nightly system update cycle</u>*. The TC 360s, therefore, always have a batch date <u>one processing day</u> *earlier* than the date it is released for posting in CALSTARS.

RULE: Always add one day to the TC 360 batch dates and include them in the NEXT day's daily batch reconciliation.

The TC 360 on the sample CFB710-6, shown in Exhibit XVIII-5 on page XVIII-10, was released for posting one day later (08-16-00) than the TRANS ID batch date shown. The CFB710-6 Report is contained in the ROPES queue Report ID **DREC**.

Step 4 – Previous Daily 'Error File Update Report (CALSTARS CFB800-4)'
Enter the count shown in 'Error File Output Count' from the prior processing day's reconciliation sheet (CALSTARS 30).

OR

Enter the count shown for 'Error File Output Count' from the prior processing day's Error File Update Report (CFB800-4). A sample report for the prior day is shown in Exhibit XVIII-6 on page XVIII-11. The CFB800-4 Report is in the ROPES queue Report ID **DREC**.

Step 5 – Total Transactions Entered
Sum all of the counts listed for the 'Transactions Entered' section and enter the amount on the "Total Transactions Entered" line.

Step 6 – Error File Update Report (CALSTARS CFB800-4)
Enter the Error File Output Count from the current day's CFB800-4, Error File Update Report. See Exhibit XVIII-7 shown on page 12. The CFB800-4 Report is contained in the ROPES queue Report ID **DREC**.

Step 7 – Transaction Deletions (CALSTARS CFB200-2)
Enter the count of Deleted ER File Records from the current day's CFB200-2, Error Correction Report. See Exhibit XVIII-3 shown on page XVIII-8. The CFB200-2 Report is contained in the ROPES queue Report ID **ERRC**.

Step 8 – Posted Transactions (CALSTARS CFB710-3)
Enter the count of History Records Added from the current day's CFB710-3, History File Update Report. See Exhibit XVIII-4 shown on page XVIII-9. The CFB710-3 Report is contained in the ROPES queue Report ID **DREC**.

Step 9 – Total Transactions Processed
Sum all of the counts listed for the 'Transactions Processed' section and enter the amount on the "Total Transactions Processed" line.

Step 10 – Compare the 'transactions entered' to the 'transactions processed' totals.
The "Total Transactions Entered" and "Total Transactions Processed" lines must balance (show the same count). If the two counts are not equal, refer to the next section for assistance in trouble-shooting the problem.

Step 11 – Sign and file completed reconciliation
The completed and signed reconciliation sheet must be filed for later audit review. Since this is not a financial reconciliation, a second verifying signature is not required.

Trouble-Shooting the Daily Batch Reconciliation

This section lists areas to research to determine the cause of an out of balance daily batch reconciliation and offers possible corrective actions.

1. **Batches were entered and released but not posted in the Batch Control Log.**
   Check the CFB710-6 Report list of batches and compare this list with the Batch Control Log. Add any missing batches to the log. Change the Batch Header and Transaction counts, and recalculate the Total Transactions Entered.

2. **Batch was not entered and/or released after being logged.**
   A batch ID was selected and reserved in the log but either the batch was not entered or it was not released. Change the Batch Header and Transaction counts, and recalculate the Total Transactions Entered.

3. **Automated check batch was released (R) to the Check Writer Subsystem but not subsequently released from the Check Writer Subsystem to the nightly system update process.**
   Automated check batches must first be released using Command **C.2**, Function **R**. Unlike other types of batches, check batches are released to the Check Writer Subsystem instead of directly to the nightly system update process. Once released to the Check Writer Subsystem, they must be released to the nightly system update process using Command **A.1.6**, N/P = **P** to be included in the daily reconciliation. Review the check batches for any that have N/P = **N** for the date being reconciled. Change the batch and transaction counts on the reconciliation sheet, as needed.

4. **Batch was changed to delete or add transactions after it was logged.**
   Compare the batch count for each batch listed in the CFB710-6 Report with the count for each batch listed in the Batch Control Log. Change the batch log to agree with the CFB710-6. Change the Batch Header and Transaction counts, and recalculate the Total Transactions Entered.

   IMPORTANT: Review the CFB710-1 and CFB800-2 and compare the reports to the transactions contained in the batch to determine what was added or deleted and if it was appropriate.

5. **Wrong or defective report was used for the daily reconciliation.**
   Check the Run Dates and Run Times on each report to verify that the appropriate reports were used. The run dates should be the same. Check the CALSTARS News Items (Command **D.1**) to determine if any reports are invalid and will be re-run. Also, note if any specific run times should be discarded. Use the correctly dated and/or re-run report(s). Change the reconciliation sheet using the correct reports, and recalculate the Total Transactions Entered.

6. **System-generated Claims Filed batches were inappropriately included or excluded.**
   Check the CFB710-6 Report list of batches to determine if any system-generated batches should be included/excluded from the reconciliation. Note the Batch Date on Batch Type **WA** (TC 360) batches.

   REMEMBER: The **WA** batches use a Batch Date one processing day earlier than the date of actual release and posting.

   Change the Batch Header and Transaction counts, and recalculate the Total Transactions Entered.

7. **A Batch Header and all transactions in a batch are on the error file.**
   If this occurs, the batch information is not displayed on the CFB710-6. The reconciliation is off by the total count of the batch header and the transactions. Refer to the CALSTARS Edit Activity Error Report, CFB800-2, to obtain the count for the batch.